EXHIBIT A

I. Organizational Structure

Pursuant to Section 11-3-11 of the Alabama Code (the "Alabama Code"), the Jefferson County Commission (the "County Commission") serves as the governing body of the County. The Commission is vested with broad powers and duties related to the management of the property and operations of the County. The major responsibilities of the Commission are to: administer the County's finances; serve as the custodian of all of the County's property; collect taxes as set by state law; allocate resources for the construction of buildings, roads and other public facilities; provide for the delivery of services that by law are the County's responsibility, such as sewer service, law enforcement, and indigent care; and make appointments to various governmental boards and agencies.

The County Commission consists of five commissioners elected from five districts within the County. The current commissioners are: George Bowman (District 1); Sandra Little-Brown (District 2); Jimmie Stephens (District 3); Joe Knight (District 4); and David Carrington (District 5). Mr. Carrington serves as the president of the Commission. The County Commission took office in November 2010.

County management is divided into five committees, each chaired by one of the five commissioners: (1) Finance and Information Technology, chaired by Commissioner Stephens; (2) Courts, Emergency Management and Land Planning and Development Services, chaired by Commissioner Knight; (3) Administrative Services, chaired by Commissioner Carrington; (4) Health Services and General Services, chaired by Commissioner Bowman; and (5) Community Services and Roads and Transportation, chaired by Commissioner Little-Brown. The County does not have a manager or chief operating officer. Thus, within their respective assigned responsibilities, the Commissioners play an active, hands on role in the administration of the County.

II. Finances and Debt Structure

A. General

The County operates pursuant to an annual budget (the "Budget"), which aggregates the budgets of each of the approximately twenty-five operating funds maintained by the County. The Budget projects the receipts, disbursements and transfers from all sources. The Commission approves the Budget in October of each fiscal year. Each fiscal year runs from October 1 through September 30. Pursuant to state law, the County is required to maintain a balanced budget.

The County funds the Budget through the following revenue sources: (a) County sales and use taxes; (b) ad valorem taxes on real property and certain personal property; and (c) operational revenues generated from the County's "enterprise funds," such as the Cooper Green

Hospital Fund, the Sanitary Operations Fund, the Jefferson Rehabilitation and Health Center Fund, and the Landfill Operations Fund.[1]

B. Conduit Payments to State and Local Government

The County collects certain sales, use, *ad valorem*, and miscellaneous excise taxes for the benefit of the State of Alabama and certain municipalities within the County. Without limitation, the County collects sales tax on behalf of the state and remits such payments in the ordinary course. Likewise, the County collects *ad valorem* taxes on real property on behalf of numerous municipalities at the rates prescribed by such municipalities. The County then remits the collected taxes – less a small commission to defray its processing costs – to the municipalities. Notwithstanding its severe budget cuts, the County has and will continue to collect and remit to the State and municipalities such sales and *ad valorem* taxes timely and in the ordinary course.

C. Outstanding Short-Term Debt

1. Trade Debt

The County generally pays all trade vendors on stated credit terms. Because of varying credit terms with vendors, the County had, as of the Filing Date, approximately $15.76 million in outstanding trade payables. Pursuant to Section 904 of the Bankruptcy Code, the County intends to pay trade vendors that have provided and continue to provide goods and services to the County in the ordinary course of business and according to the credit terms agreed to by such vendors and the County.

2. Salaries, Wages, and Other Employee Benefits

Following the layoffs necessitated by the financial crisis described more fully in the Memorandum in Support of Eligibility, the County now has approximately 2,800 employees. The County pays hourly and salaried employees every two weeks and pays elected officials and employees in their respective departments twice a month. As a result of the layoffs, the resources of the County and its personnel are severely limited, and providing essential services to the citizens of the County has been made that much more difficult. It is essential that the County retain qualified and dedicated employees at this crucial time. Pursuant to Alabama Act 45-248, as amended, the rules and regulations of the Personnel Board of Jefferson County promulgated thereunder, the ordinances, resolutions and administrative orders of the County Commission implementing such rules and regulations, and applicable federal law, including Sections 903 and 904 of the Bankruptcy Code, the County intends to honor all pre-petition accrued obligations to current County employees for wages and salaries, including earned vacation, severance and sick leave pay and contributions to employee benefit plans.

[1] Historically, the County has funded approximately forty percent of its general fund through collection of the Occupational Tax. As set forth more fully in the Memorandum in Support of Eligibility, recent rulings by the Alabama Supreme Court and the lack of a legislative cure have eliminated the Occupational Tax as a source of funding for the County's general operations.

D. Outstanding Long Term Debt

1. Introduction

The County's outstanding long-term indebtedness (including non-recourse indebtedness) totaled approximately $4.23 billion as of the Filing Date. As described more fully below, the County's long-term debt consists of long term loans, general obligation warrants and limited obligation warrants.

General obligation warrants are general obligations of the County. Repayment of the outstanding general obligation warrants is backed by the full faith and credit of the County. Limited obligation warrants are not general obligations of the County, but rather are secured only by designated assets or revenue streams, such as specified tax revenues or the operating revenues of an enterprise fund.

The County's outstanding warrants generally can be classified as fixed rate warrants, variable rate demand warrants, or auction rate warrants. The pricing of the warrants is based in part on credit enhancements, such as bond insurance policies and standby warrant purchase agreements with financial institutions. With respect to certain of the warrants, the County entered into swap agreements that were intended to minimize debt service requirements by achieving a "synthetic" fixed interest rate.

a. Fixed Rate Warrants

The trust indentures for the County's fixed rate warrants specifically set forth the rates of interest at which the County will pay the warrant holder through the maturity of the warrant. Most of the County's fixed rate warrants are credit-enhanced by bond insurance policies. If the County defaults in payment of the warrants, a bond insurer will advance the payments due the warrant holder and then will seek reimbursement of such advances from the County.

b. Variable Rate Demand Warrants

The trust indentures for the County's variable rate demand warrants set forth the timing and terms and conditions upon which the rate of interest will adjust. For some of the County's variable rate demand warrants, the rate of interest adjusts daily. For others, the rate of interest adjusts weekly. Because of the risk of fluctuations in interest rates, the variable rate demand warrants often are credit-enhanced by standby warrant purchase agreements and bond insurance. Pursuant to a standby warrant purchase agreement, a financial institution agrees that it will purchase the warrants from the original warrant holder under certain conditions. Generally, the standby warrant purchase agreement requires the County to pay a higher rate of interest to the purchasing financial institution. In some instances, the standby warrant purchase agreement also requires the County to redeem the warrants from the financial institution on an accelerated schedule.

c. Auction Rate Warrants

The trust indentures for the County's auction rate warrants provide that such warrants are sold by "Dutch auction" on a set schedule (generally every week or every five weeks). The auction process determines the interest rate for the warrants until the next auction. If an auction fails, the holders of the warrants are entitled to a penalty rate of interest that compensates the holder for their inability to sell. Typically, the risk of a failed auction is offset by bond insurance.

d. Swaps

In connection with certain of the warrants, the County entered into interest rate swap agreements (generally, the "Swap Agreements"). Pursuant to the Swap Agreements, the County and certain financial institutions (generally, the "Swap Providers") agreed to make periodic payments to each other for an agreed upon period of time based on a "notional" amount of principal. The principal amount is "notional" because the parties do not exchange actual amounts of principal in the transaction. Rather, the notional amount of principal is used solely to compute the actual cash amounts that the parties periodically exchange.

In most instances, the County agreed to make periodic payments to the Swap Provider based on a fixed rate of interest tied to the notional amount. In exchange, the Swap Provider agreed to make periodic payments to the County based on a variable rate of interest tied the notional amount. The variable rate of interest the Swap Provider agreed to pay back to the County typically was set either as a percentage tied to the London Interbank Offered Rate ("LIBOR") or the Securities Industry and Financial Market Association ("SIFMA") Index (formerly known as the Bond Market Association Index).

The effect of entering into the Swap Agreements was a "synthetic" fixed rate of interest on certain of its variable rate demand warrants and auction rate warrants. In essence, the County agreed to pay a fixed rate to the Swap Provider in exchange for receipt of a variable rate tied to either the SIFMA Index or LIBOR. At the outset, the variable rate that the Swap Provider paid the County was projected to be sufficient to cover the actual debt service requirements on the related variable rate demand warrants and auction rate warrants. The primary risk that the County bore with respect to the Swap Agreements is known as "basis risk." Basis risk is the risk that the variable rate that the County owes under the variable rate demand warrants and auction rate warrants becomes higher than the variable rate that the Swap Provider owes the County under the Swap Agreement.

2. General Obligation Warrants

As of the Filing Date, the total outstanding indebtedness on the County's general obligation warrants totaled approximately $200.52 million. The general obligation warrants are general obligations of the County. Repayment of the outstanding general obligation warrants is secured by the full faith and credit of the County.

a. Series 2001-B General Obligation Warrants

The Series 2001-B warrants (the "Series 2001-B GO Warrants") were used to refund in part certain general obligation warrants issued in 1996 and 1999. The Series 2001-B GO Warrants are credit-enhanced by standby warrant purchase agreements with JPMorgan Chase Bank (successor by merger with Morgan Guaranty Trust Company of New York) and Bayerische Landesbank (formerly known as Bayerische Landesbank Girozentrale) (together, the

"Series 2001-B GO Warrant Liquidity Providers"). The Series 2001-B GO Warrants have variable interest rates, and the County entered into a Swap Agreement, pursuant to which the County paid a fixed interest rate of 4.295% to JPMorgan Chase Bank in exchange for JPMorgan Chase Bank's payment of the SIFMA Index rate to the County.[2]

In early 2008, and in connection with financial distress associated with the County's sanitary sewer system (described more fully below), holders of the Series 2001-B GO Warrants began to tender such warrants at a rapid pace. Pursuant to the standby warrant purchase agreements, as of March 13, 2008, the Series 2001-B GO Warrant Liquidity Providers had purchased approximately $118.75 million in tendered Series 2001-B GO Warrants. As a result of these purchases, by July 2008, approximately $118.75 million of the County's general obligation debt became due on an accelerated repayment schedule (nearly $20.0 million every six months) at a default rate of interest.[3] The current outstanding principal amount of the Series 2001-B GO Warrants totals $105.0 million.

b. Series 2003-A General Obligation Warrants

The Series 2003-A warrants were used to refund in part certain general obligation warrants issued in 1993. The Series 2003-A warrants are insured by a bond insurance policy issued by National Public Finance Guarantee Corp. ("National"), as successor to MBIA Insurance Corporation. The Series 2003-A warrants have a fixed interest rate. The outstanding principal balance owing under the Series 2003-A warrants totaled approximately $46.185 million as of the Filing Date.

c. Series 2004-A General Obligation Warrants

The Series 2004-A warrants were used to fund certain capital improvement projects in the County. The Series 2004-A warrants are insured by a bond insurance policy issued by National. The Series 2004-A warrants have a fixed interest rate. The outstanding principal balance owing under the Series 2004-A warrants totaled approximately $49.335 million as of the Filing Date.

3. Limited Obligation Warrants

As of the Filing Date, the total outstanding indebtedness on the County's limited obligation warrants totaled approximately $4.0 billion. Limited obligation warrants are not general obligations of the County, but rather are secured only by designated assets or revenue streams, such as specified tax revenues or the operating revenues of an enterprise fund.

[2] This Swap Agreement had a termination date of April 1, 2011 and no longer is outstanding.

[3] As set forth more fully in the Memorandum in Support of Eligibility, the entire outstanding principal balance of $105.0 million was due and owing as of March 15, 2011.

a. Series 2006 Lease Revenue Warrants

In 2006, the Jefferson County Public Building Authority (the "Building Authority") issued limited obligation warrants totaling approximately $86.0 million (the "Lease Revenue Warrants") for purposes of facilitating: the Building Authority's construction of a new courthouse building in Bessemer, renovation of the existing courthouse and county jail in Bessemer, and the construction of an E911 communications center office building (the "Warrant-Financed Facilities"). The Lease Revenue Warrants have a fixed rate of interest.

The County has no direct obligation under the Lease Revenue Warrants but is party to a long-term lease pursuant to which it leases the Warrant-Financed Facilities. The County has covenanted that so long as the Lease Revenue Warrants are outstanding, the County will not relocate the County's Bessemer courthouse or jail from the Warrant-Financed Facilities to any alternative facility. The Lease Revenue Warrants are insured by a bond insurance policy issued by Ambac Assurance Corporation ("Ambac"). The outstanding principal balance owing under the Lease Revenue Warrants totaled approximately $82.50 million as of the Filing Date.

b. School Warrants

i. Series 2004-A Limited Obligation School Warrants

The County used the proceeds of the Series 2004-A warrants to make grants to the eleven local school boards operating in the County. The grants financed a variety of capital improvement projects and retired certain indebtedness of the school boards. The Series 2004-A warrants have a fixed interest rate.

The repayment obligations related to the Series 2004-A warrants are not general obligations of the County, but rather are secured by the gross proceeds of an education tax (the "Education Tax Revenues") and certain other reserve funds. The education tax, which was passed in December 2004, parallels the statewide sales and use tax levied by the State of Alabama. The general rate of the education tax is 1%. The outstanding principal balance owing under the Series 2004-A warrants totaled approximately $534.40 million as of the Filing Date.

ii. Series 2005-A and 2005-B Limited Obligation School Warrants

Similarly, the County used the proceeds of Series 2005-A and 2005-B warrants to make grants to the eleven local school boards operating in the County. The Series 2005-A warrants are auction-rate warrants. The Series 2005-B warrants have a variable interest rate. The repayment obligations related to the Series 2005-A and 2005-B warrants are not general obligations of the County, but rather are secured by the Education Tax Revenues. The Series 2005-A and 2005-B warrants are on parity with the Series 2004-A warrants.

The Series 2005-B warrants are credit-enhanced by a standby warrant purchase agreement with DEPFA BANK plc, New York Branch. Further, the Series 2005-A and 2005-B warrants are insured by Ambac. The outstanding principal balance owing under the Series 2005-A and 2005-B warrants totaled approximately $105.50 million and $174.175 million as of the Filing Date, respectively.

iii. Early Redemption of the Series 2005-A School Warrants

Education Tax Revenues have exceeded the County's debt service requirements on the Series 2004-A, 2005-A and 2005-B warrants. To date, the County has used the excess Education Tax Revenues to accelerate the redemption of the Series 2005-A warrants. The County redeemed $14.445 million and $12.0 million of the Series 2005-A warrants in 2008 and 2009, respectively.

iv. Default with Respect to School Warrants

As of the petition date, the County was current on all scheduled payments related to the School Warrants. The County nevertheless faces a default under the trust indenture associated with the School Warrants (the "School Warrant Indenture"). The County is required under the School Warrant Indenture to maintain a debt service reserve fund. Pursuant to the School Warrant Indenture, the County deposited a bond insurance policy issued by Ambac Assurance Corporation ("Ambac") in the debt service reserve fund in lieu of cash. Based on the credit downgrade of Ambac, the County was required to replenish the debt service reserve fund by depositing additional cash or other permitted alternatives. To date, the County has not fully replenished the debt reserve fund.

c. Sewer Revenue Warrants

The majority of the County's outstanding long-term indebtedness consists of long term debt incurred and limited obligation warrants (the "Sewer Warrants") issued in connection with capital improvements to the County's sanitary sewer system (the "Sewer System"). The County's rights and obligations with respect to the Sewer Revenue Warrants are set forth in that certain Trust Indenture dated as of February 1, 1997 (as supplemented and amended, the "Indenture") and certain standby warrant purchase agreements and Swap Agreements related to the Sewer Warrants. The Bank of New York Mellon Trust Company, N.A. (the "Trustee") serves as the trustee pursuant to the Indenture.

The County's obligations under the Sewer Warrants and related agreements are limited obligations secured only by the Encumbered Sewer System Revenues (as hereafter defined). The Indenture contains certain covenants related to the County's management of such Encumbered Sewer System Revenues. Specifically, Section 12.5 of the Indenture contains a covenant (the "Rate Covenant") that requires the County to fix, revise and maintain rates sufficient to cover, to the extent permitted by law, all payments of principal, interest and premium due under the Sewer Warrants.

Any delegation of powers in the Indenture must be interpreted against the backdrop of Amendment 73 to the Alabama Constitution, which vests the County with the authority over the sewers: "The governing body of Jefferson county shall have full power and authority to manage, operate, control and administer the sewers and plants herein provided for." To that end, the Commission is empowered to "make any reasonable and nondiscriminatory rules and regulations fixing rates and charges, providing for the payment, collection and enforcement thereof, and the protection of its property." Amendment 73 makes clear – as a matter of Alabama constitutional law – that the County has mandatory control over the Sewer System, including ratemaking. As a result, any exercise of delegated powers under the Indenture, including the exercise of powers by a court-appointed receiver, is a narrow contractual remedy: the County has not alienated its Amendment 73 powers. Moreover, the Indenture requires that the any appointed receiver's powers be subject to all applicable state and federal laws.

i. Series 1997-A Sewer Revenue Refunding Warrants

The County used the proceeds of the Series 1997-A warrants to retire the County's then-existing sewer revenue indebtedness, including, without limitation, the refunding of warrants previously issued from 1992 to 1995. The Series 1997-A warrants have a fixed interest rate. The repayment obligations related to the Series 1997-A warrants are not general obligations of the County, but rather are secured by a lien in and to the revenues generated by the Sewer System, net of operating expenses (the "Encumbered Sewer System Revenues"). Financial Guaranty Insurance Corporation ("FGIC") insures payment of the principal and interest due under the Series 1997-A warrants pursuant to a bond insurance policy. The outstanding principal balance owing under the Series 1997-A warrants totaled approximately $57.03 million as of the Filing Date.

ii. Series 2001-A Sewer Revenue Capital Improvement Warrants

The County used the proceeds of the Series 2001-A warrants to fund, in part, the improvements the Sewer System pursuant to the 1996 consent decree described more fully below. The Series 2001-A warrants have a fixed interest rate. The repayment obligations related to the Series 2001-A warrants are not general obligations of the County, but rather are secured by a lien in and to the Encumbered Sewer System Revenues. FGIC insures payment of the principal and interest due under the Series 2001-A warrants pursuant to a bond insurance policy. The outstanding principal balance owing under the Series 2001-A warrants totaled approximately $11.01 million as of the Filing Date.

iii. Series 2002-A Sewer Revenue Capital Improvement Warrants

The County used the proceeds of the Series 2002-A warrants to fund, in part, the improvements to the Sewer System pursuant to the Consent Decree, as outlined above and described more fully below. The Series 2002-A warrants are variable rate demand warrants. The repayment obligations related to the Series 2002-A warrants are not general obligations of the County, but rather are secured by a lien in and to the Encumbered Sewer System Revenues.

FGIC insures payment of the principal and interest due under the Series 2002-A warrants pursuant to a bond insurance policy. Moreover, the Series 2002-A warrants are credit-enhanced by a standby warrant purchase agreement with JPMorgan Chase Bank (the "Series 2002-A Liquidity Provider"). The County entered into a Swap Agreement pursuant to which the County paid a fixed interest rate of 5.06% to JPMorgan Chase Bank in exchange for JPMorgan Chase Bank's payment of the SIFMA Index rate to the County. This Swap Agreement was terminated, and the termination fees waived, under the enforcement order entered by the SEC outlined above and described more fully below. The outstanding principal balance owing under the Series 2002-A warrants totaled approximately $101.465 million as of the Filing Date.

iv. Series 2002-C Sewer Refunding Warrants

The County used the Series 2002-C warrants to refund certain of the outstanding warrants related to the Sewer System. Approximately $409.64 million of the outstanding Series 2002-C warrants are variable rate demand warrants, and approximately $397.1 million of the outstanding Series 2002-C warrants are auction rate warrants. The repayment obligations related to the Series 2002-C warrants are not general obligations of the County, but rather are secured by a lien in and to the Encumbered Sewer System Revenues.

Syncora Guarantee Inc., formerly known as XL Capital Assurance Inc. ("Syncora") insures payment of the principal and interest due under the Series 2002-C warrants pursuant to a bond insurance policy. Moreover, the Series 2002-C variable rate demand warrants are credit-enhanced by standby warrant purchase agreements with various banks, including: JPMorgan Chase Bank; Bank of America; The Bank of Nova Scotia, through its New York Agency; Bayerische Hypo- und Vereinsbank, AG, New York Branch; Societe Generale, New York Branch; and Regions Bank (the "Series 2002-C Liquidity Providers"). The County entered into a Swap Agreement pursuant to which the County pays a fixed interest rate of 3.92% to JPMorgan Chase Bank, Bank of America, N.A. and Lehman Brothers Special Financing, Inc. (the Series 2002-c Swap Providers") in exchange for the Series 2002-C Swap Providers' payment of a LIBOR-based variable interest rate to the County.[4] The outstanding principal balance owing under the Series 2002-C warrants totaled approximately $806.738 million as of the Filing Date.

v. Series 2003-A Sewer Revenue Refunding Warrants

The Alabama Water Pollution Control Authority (the "Authority") issued its Revolving Fund Loan Refunding Bonds, Series 2003-B and then loaned the proceeds from the issuance to the County, which used the loan proceeds to refund the County's Series 1997-C Sewer Revenue Warrant, then outstanding in the approximate aggregate principal amount of $41.82 million. The County issued its Series 2003-A warrant to the Authority as security for repayment of the loan. Accordingly, the County's obligation associated with the Series 2003-A warrant is a long-term loan obligation to the Authority. The County's obligation to repay the loan to the Authority is secured by the Encumbered Sewer System Revenues.

Ambac insures payment of the principal and interest due on the Authority's Series 2003-B bonds pursuant to a bond insurance policy. The outstanding principal balance owing under the loan funded by the Series 2003-A warrant totaled approximately $15.28 million as of the Filing Date.

[4] These swaps have been terminated. The JPMorgan swaps were terminated on March 3, 2009, and the termination payments were waived on November 4, 2009. All Bank of America Swaps were terminated on July 15, 2008. The Lehman Brothers swap was terminated on December 15, 2008.

vi. Series 2003-B Sewer Revenue Refunding Warrants

The County used the proceeds of the Series 2003-B warrants to refund certain of the outstanding warrants related to the Sewer System. Approximately $95.845 million of the outstanding Series 2003-B warrants are fixed rate warrants. Approximately $281.26 million of the outstanding Series 2003-B warrants are variable rate demand warrants. Approximately $723.725 million of the outstanding Series 2003-B warrants are auction rate warrants. The repayment obligations related to the Series 2003-B warrants are not general obligations of the County, but rather are secured by a lien in and to the Encumbered Sewer System Revenues.

Syncora, FGIC, and Assured Guaranty Municipal Corp. ("Assured"), as successor to Financial Security Assurance, Inc. insure payment of the principal and interest due under the Series 2003-B warrants pursuant to bond insurance policies. Moreover, the Series 2003-B variable rate demand warrants are credit-enhanced by standby warrant purchase agreements with various banks, including: The Bank of New York Mellon, State Street Bank, Lloyds TSB Bank, plc, through its New York Branch; and Societe Generale, New York Branch (the "Series 2003-B Liquidity Providers"). The County has entered into a Swap Agreement pursuant to which the County pays a fixed interest rate of 3.678% to JPMorgan Chase Bank in exchange for JPMorgan Chase Bank's payment of a LIBOR-based variable interest rate to the County. This Swap Agreement was terminated, and the termination fees waived, under the enforcement order entered by the SEC outlined above and described more fully below. The outstanding principal balance owing under the Series 2003-B warrants totaled approximately $1.01 billion as of the Filing Date.

vii. Series 2003-C Sewer Revenue Refunding Warrants

The County used the proceeds of the Series 2003-C warrants to refund certain of the outstanding warrants related to the Sewer System. The Series 2003-C warrants are auction rate warrants. The repayment obligations related to the Series 2003-C warrants are not general obligations of the County, but rather are secured by a lien in and to the Encumbered Sewer System Revenues.

Assured and FGIC insure payment of the principal and interest due under the Series 2003-C warrants pursuant to bond insurance policies. The County entered into two Swap Agreements pursuant to which the County pays a fixed interest rate of 3.596% to JPMorgan Chase Bank and Bank of America, N.A. (the "Series 2003-C Swap Providers") in exchange for the Series 2003-C Swap Providers' payment of a LIBOR-based variable interest rate to the County. These Swap Agreements have been terminated. The JPMorgan Chase Bank Swap Agreement sewer swaps was terminated on March 3, 2009 and the termination payments were waived on November 4, 2009 in connection with the SEC enforcement order. All Bank of America Swap Agreements were terminated on July 15, 2008. The outstanding principal balance owing under the Series 2003-C warrants totaled approximately $1.0442 billion as of the Filing Date.